

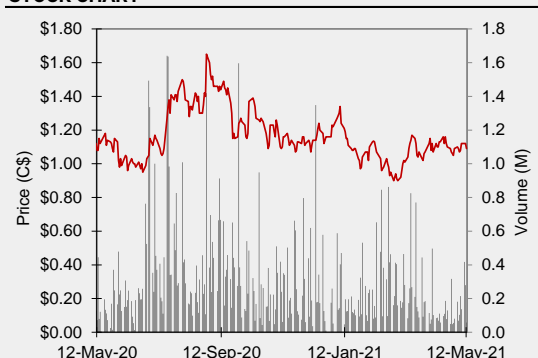
Troilus Gold Corp. (TSX:TLG) New Western Extension Identified In The J Zone

Exploration Update
May 12, 2021

(Currency is US\$ unless noted otherwise)

Closing Price (C\$/sh)	\$1.09	
Rating	BUY	
Target (C\$/sh)	\$3.50	
Return to Target	221%	
NAV (C\$/sh)	\$4.54	
P/NAV	0.24x	
52 Week Low / High (C\$/sh)	\$0.84 / \$1.82	
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	130.3	156.7
Market Capitalization (C\$M)		\$142.1
Enterprise Value (C\$M)		\$110.4
Estimated Cash (C\$M)		\$31.7
Debt (C\$M)		\$0.0

STOCK CHART



NET ASSET VALUE	(C\$M)	(C\$/sh)
Troilus Gold Project (100%)	\$646.58	\$4.41
Corporate Adjustments	\$17.52	\$0.13
Net Asset Value	\$664.10	\$4.54

Target Multiple	0.75x
Target Price	\$3.50

RELATIVE VALUATION	EV/oz AuEq	P/NAV
Global Peer Group*	\$59	0.50x
Troilus Gold Corp.	\$13	0.24x

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (6.06%), Franklin Resources, Inc. (6.98%), Ruffer LLP (3.42%), Caisse de dépôt et placem. (3.39%), Konwave AG (2.62%), Mackenzie Financial Corp. (1.81%)

DISCLOSURE CODE: 3,4
(Please refer to the disclosures listed on the back page)

Source: RCS, Company Information, Capital IQ

Company Description

Troilus Gold Corp. operates as an advanced stage exploration and early-development company in Canada. The company focuses on the mineral expansion and potential mine re-start of the former gold and copper Troilus mine. Its Troilus gold property consists of 1,988 mineral claims and 1 surveyed mining lease covering an area of 107,326 hectares located Northeast of the Val-d'Or district within the Frotêt-Evans Greenstone Belt in Quebec, Canada. The company was incorporated in 2016 and is headquartered in Toronto, Canada.

Impact: Positive

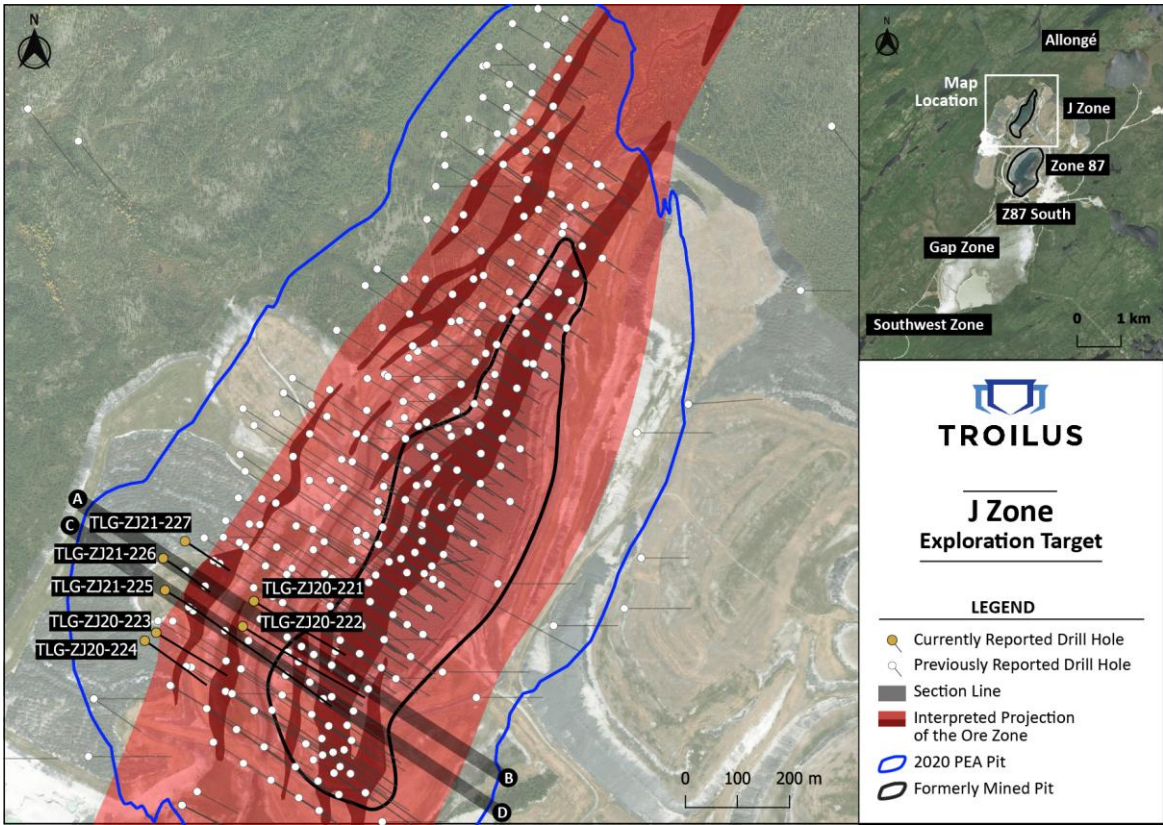
Troilus reported drilling results from its 100%-owned Troilus Gold project in Quebec. The results are from seven holes targeting the J Zone area (Figure 1). In addition to extending the zone at depth, below the past producing pit, the holes encountered new parallel areas of mineralization to the northwest of the main zone. These are largely within the proposed open pit shell from the company's 2020 PEA, but they were areas that were previously considered to be waste. **This is quite positive for project economics, as areas that were considered waste within the proposed pit may now be converted to potential ore, reducing strip ratios.**

- Reported holes have defined new extensions of mineralization.** A new gold zone with continuous mineralization over 68m within 200m from surface was identified. The highlighted drill hole TLG-ZJ21-226 was collared 50m beyond any previous historic holes, and it intersected higher-grade zones of mineralization, returning: **1) 1.10 g/t AuEq over 68m including 1.65 g/t AuEq over 10m and 2) 2.23 g/t AuEq over 3m** (Figure 2). Gold mineralization at the J Zone target currently covers an area of approximately 1.5km by 1km and remains open in all directions. TLJ-ZJ21-225 defined strong mineral continuity to the northwest, an area that was previously considered waste. The highlight intercepts returned: **1) 1.01 g/t AuEq over 34m and 2) 2.12 g/t AuEq over 13m** (Figure 3). These results in the J Zone identified new broad gold zones that are near surface and directly adjacent to the former operation. The company expects these results to have a meaningful impact on the economics of the project.
- Two drills were mobilized to J Zone earlier this year with the aim to continue improving drill resolution while defining the extent of mineralization.** These intercepts identified new hanging wall mineral extensions that appear to be widening as they are drilled deeper, as has been observed in the lower levels of J Zone and the Southwest Zone. Furthermore, the new zone appears to be higher grade than the previously defined mineralization at J Zone.
- More exploration expected in 2021, PEA to be updated.** Currently two drill rigs are focused on expansion and delineation in advance of a mineral resource update and Pre-Feasibility Study planned for completion in the second half of 2021. Troilus has completed 32,000m of drilling since January 2021 and intends to drill approximately 10,000m per month throughout the summer.

Valuation:

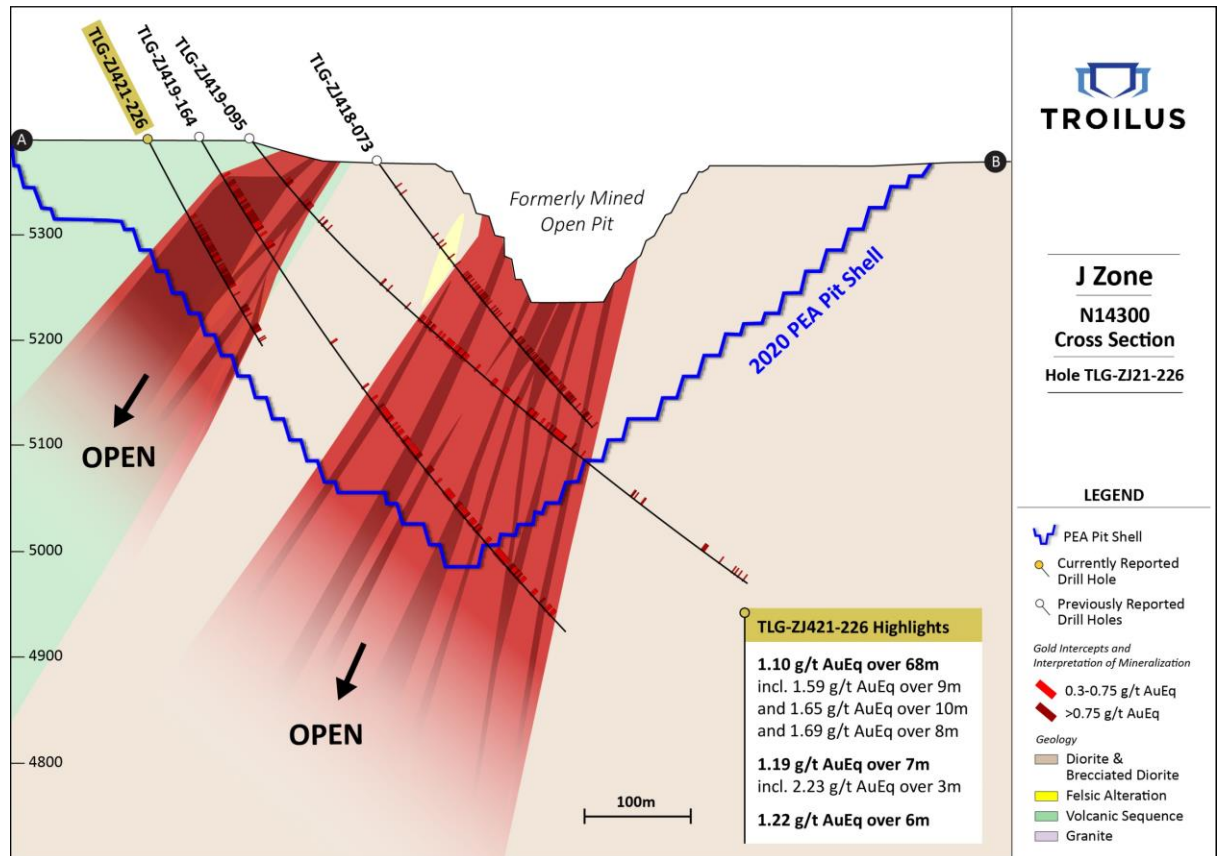
We are maintaining our BUY rating and our C\$3.50 target. Our price target is based on a 0.75x multiple to our NAV estimate of C\$4.54. Troilus trades at a significant discount to peers at 0.24x NAV and US\$13 EV/oz Au Eq (peers at 0.50x and US\$59 respectively). **Upcoming Catalysts:** 1) Drill results from SW, Z87, and J zones (near-term); and 2) Troilus resource update (2021); 3) Troilus PFS (2021)

Figure 1: Location of drill holes in the J zone of the Troilus gold project



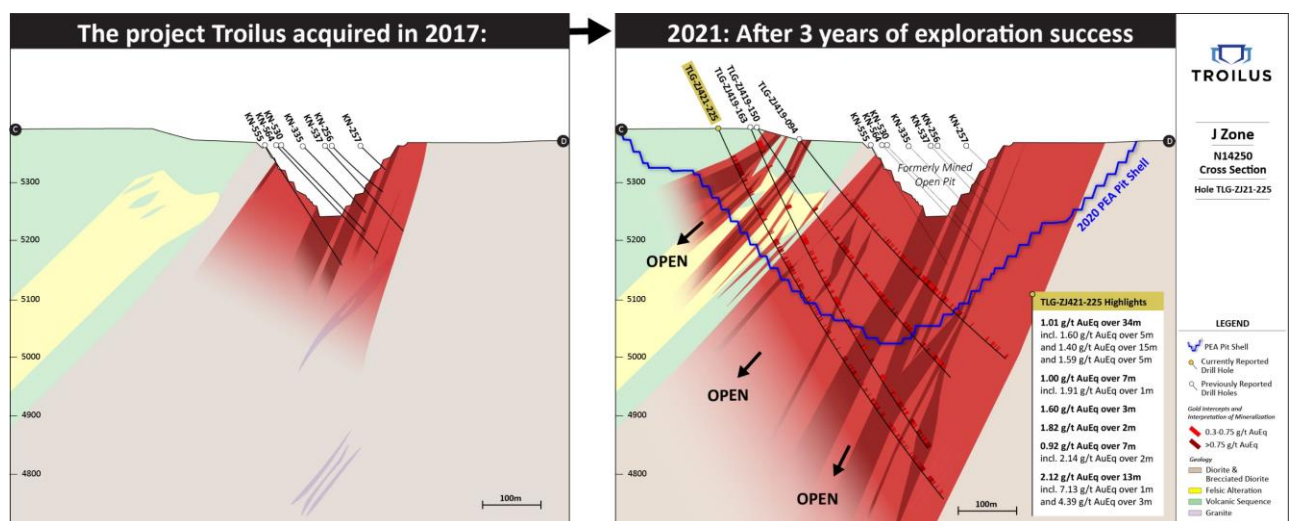
Source: Company Reports

Figure 2: J zone, N14300 cross section view of drill hole TLG-ZJ21-226



Source: Company Reports

Figure 3: J zone, N14250 cross section view of drill hole TLG-ZJ21-225



Source: Company Reports



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Disclosure Statement

Updated 12 May 2021

Recommendation / Target Change			Red Cloud Securities has this percentage of its universe assigned as the following:	
Date	Rating	Target C\$/sh	Status	%
2020-01-29	NA	NA	BUY	78%
2020-04-15	NA	NA	BUY (S)	12%
2020-04-22	NA	NA	HOLD	0%
2020-04-29	NA	NA	SELL / Tender	0%
2020-05-08	BUY	1.80	NA	8%
2020-05-15	BUY	1.80	Under Review	2%
2020-05-25	BUY	1.50		
2020-07-29	BUY	2.00		
2020-09-01	BUY	2.00		
2020-09-02	BUY	2.90		
2020-10-01	BUY	2.90		
2020-10-20	BUY	2.90		
2020-10-23	BUY	2.90		
2020-10-29	BUY	3.90		
2020-12-02	BUY	3.50		
2020-12-10	BUY	3.50		
2021-02-10	BUY	3.50		
2021-03-08	Under Review	Under Review		
2021-03-08	Under Review	Under Review		
2021-04-15	BUY	3.50		

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Company Name	Ticker Symbol	Disclosures
Troilus Gold Corp.	TSX:TLG	3,4

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